

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary - Public

**Date:** 5/13/2011

**GAIN Report Number:** CH11611

## China - Peoples Republic of

**Post:** Guangzhou

### **Guangzhou received the first ever shipment of U.S. cottonseed meal exports to China**

**Report Categories:**

Market Development Reports

**Approved By:**

Jorge, Sanchez

**Prepared By:**

Ken Chen

**Report Highlights:**

**General Information:**

On Feb 21, a containerized shipment of 900 tons of U.S. cottonseed meal (protein 40-41 percent) arrived at Guangzhou Huangpu port and sold at \$400-415 per ton (upon arrival to local feed mills). The cottonseed meal shipment was purchased by Junjie Trading Company of Guangzhou and sold to Pearl River Delta (PRD) feed manufacturers to be used in poultry feed mix. The trial import came during U.S. DDGS was shut out of the market due to ongoing antidumping investigations being conducted by China's Ministry of Commerce. The measure immediately and significantly impacted local feed mills' availability to source this high quality feed ingredient. During a three-month period, ATO Guangzhou worked diligently with several importers and U.S. and local traders to:

1. Provide timely information on logistical arrangements and cost of cottonseed meal shipments into the PRD region.
2. Conferred with Guangdong and Guangzhou quarantine and inspection officials on the appropriate import policies and permits in anticipation of the purchase.
3. Requested China Customs Bureau classify U.S. cottonseed meal under the feed ingredient import tariff exemption for trade
4. With assistance from the U.S. Consulate Guangzhou's Non-Immigrant Visa Section assisted companies by providing visa referral assistance for the Junjie cottonseed meal buying teams and nominated two other trading companies to participate in visits to the States in support of cottonseed meal purchases. After their first purchase, Junjie recently landed several contracts for 300,000 tons valued at over \$10 million.

The shipment is scheduled to arrive in Guangzhou ports in April – June 2011. The sale of U.S. cottonseed meal would not have been possible had it not been for the months of preliminary preparation, information gathering, and coordination work facilitated by ATO Guangzhou staff.